



Housing and Planning Act 2016

2016 CHAPTER 22

PART 5

HOUSING, ESTATE AGENTS AND RENTCHARGES: OTHER CHANGES

Client money protection schemes for property agents

133 Power to require property agents to join client money protection schemes

- (1) The Secretary of State may by regulations require a property agent to be a member of—
 - (a) a client money protection scheme approved by the Secretary of State for the purpose of the regulations, or
 - (b) a government administered client money protection scheme that is designated by the Secretary of State for the purpose of the regulations.
- (2) The regulations may impose requirements about the nature of the membership that a property agent must obtain (for example, by requiring a property agent to obtain membership that results in a particular level of compensation being available).
- (3) The regulations shall—
 - (a) require a property agent to obtain a certificate confirming the property agent's membership of the scheme;
 - (b) require the property agent to display or publish the certificate in accordance with the regulations;
 - (c) require the property agent to produce a copy of the certificate, on request, in accordance with the regulations.
- (4) In this section—

“client money protection scheme” means a scheme which enables a person on whose behalf a property agent holds money to be compensated if all or part of that money is not repaid in circumstances in which the scheme applies;

Changes to legislation: Housing and Planning Act 2016, Cross Heading: Client money protection schemes for property agents is up to date with all changes known to be in force on or before 29 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

“government administered client money protection scheme” means a client money protection scheme that is administered by or on behalf of the Secretary of State;

“property agent” means—

- (a) a person who engages in English letting agency work within the meaning of section 54, or
- (b) a person who engages in English property management work within the meaning of section 55,

other than a person who engages in that work in the course of the person's employment under a contract of employment.

Commencement Information

II S. 133 in force at 19.3.2018 by S.I. 2018/251, reg. 3(a)

134 Client money protection schemes: approval or designation

- (1) The Secretary of State may by regulations make provision about the approval or designation of client money protection schemes for the purposes of regulations under section 133.
- (2) The regulations may, in particular, make provision about—
 - (a) the making of applications for approval,
 - (b) conditions which must be satisfied before approval may be given or a scheme may be designated;
 - (c) conditions which must be complied with by administrators of approved or designated client money protection schemes (including conditions requiring the issue of certificates for the purposes of regulations under section 133(3) and about the form of those certificates);
 - (d) the withdrawal of approval or revocation of a designation.
- [^{F1}(3) Regulations under this section may confer a discretion on the Secretary of State in connection with—
 - (a) the approval or designation of a client money protection scheme,
 - (b) conditions which must be complied with by the administrator of such a scheme,
 - (c) the amendment of such a scheme, or
 - (d) the withdrawal of approval or revocation of designation of such a scheme.]

Textual Amendments

F1 S. 134(3) inserted (1.6.2019) by Tenant Fees Act 2019 (c. 4), ss. 21(2), 34(1); S.I. 2019/857, reg. 3(t)

Commencement Information

I2 S. 134 in force at 19.3.2018 by S.I. 2018/251, reg. 3(b)

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135 Enforcement of client money protection scheme regulations

- (1) The Secretary of State may by regulations make provision about the enforcement of a duty imposed by regulations under section 133.
- (2) The regulations may—
 - (a) confer functions on a local authority in England;
 - (b) require a property agent who fails to comply with a duty imposed by regulations under 133 to pay a financial penalty (or more than one penalty in the event of a continuing failure).
- (3) The provision that may be made under subsection (2)(a) includes provision requiring a local authority in England, when carrying out functions under the regulations, to have regard to guidance given by the Secretary of State [^{F2}or the lead enforcement authority (if not the Secretary of State)].
- (4) The provision that may be made under subsection (2)(b) includes provision—
 - (a) about the procedure to be followed in imposing penalties;
 - (b) about the amount of penalties;
 - (c) conferring rights of appeal against penalties;
 - (d) for the enforcement of penalties;
 - (e) authorising a local authority in England to use sums paid by way of penalties for the purposes of any of its functions [^{F3} (whether or not the function is expressed to be a function of a local weights and measures authority)].
- [^{F4}(5) In this section “local authority in England” means a local weights and measures authority in England.]
- [^{F5}(6) For provisions about enforcement of regulations under section 133 or 134 or under this section by the lead enforcement authority, see sections 24 to 26 of the Tenant Fees Act 2019.
- (7) In this section “lead enforcement authority” has the meaning given by section 24(1) of the Tenant Fees Act 2019.]

Textual Amendments

- F2** Words in s. 135(3) inserted (15.4.2019) by [Tenant Fees Act 2019 \(c. 4\), ss. 29\(5\)\(a\), 34\(1\)](#); S.I. 2019/857, [reg. 2\(d\)](#)
- F3** Words in s. 135(4)(e) inserted (1.4.2019) by [Tenant Fees Act 2019 \(c. 4\), ss. 21\(3\)\(a\), 34\(1\)](#); S.I. 2019/428, [reg. 2\(a\)](#)
- F4** S. 135(5) substituted (1.4.2019) by [Tenant Fees Act 2019 \(c. 4\), ss. 21\(3\)\(b\), 34\(1\)](#); S.I. 2019/428, [reg. 2\(a\)](#)
- F5** S. 135(6)(7) inserted (15.4.2019) by [Tenant Fees Act 2019 \(c. 4\), ss. 29\(5\)\(b\), 34\(1\)](#); S.I. 2019/857, [reg. 2\(d\)](#)

Commencement Information

- I3** S. 135 in force at 19.3.2018 by [S.I. 2018/251, reg. 3\(c\)](#)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 172(1)(a) words renumbered as s. 172(1)(a) by [2017 c. 20 s. 26\(8\)\(a\)\(i\)](#)
- s. 172(1)(b) inserted by [2017 c. 20 s. 26\(8\)\(a\)\(ii\)](#)